

MIDVAAL LOCAL MUNICIPALITY
MINUTES OF THE 7TH ORDINARY MEETING OF 2021 HELD ON THURSDAY,
29 JULY 2021 AT 13:30 VIA TEAMS

C 2603/07/2021
MC A/5579/07/2021

9.A.3 IFS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF AUGUST 2020

8/1/1

COMPETENCY: COUNCIL

RESOLVED

That the report on the deviations from the MFMA Supply Chain Management Policy, as required by the Municipal Supply Chain Regulations, for the month of August 2020, be noted.

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**9.A.3 [FS]: REPORT ON DEVIATIONS FROM THE SUPPLY CHAIN MANAGEMENT
POLICY AS REQUIRED BY THE MUNICIPAL SUPPLY CHAIN MANAGEMENT
REGULATIONS: MONTH OF AUGUST 2020**

8/1/1

COMPETENCY: COUNCIL

To report on deviations from the supply chain management policy as required by the Municipal Supply Chain Management (MFMA) Regulations for the month of August 2020.

RECOMMENDATION

That the report on the deviations from the MFMA Supply Chain Management Policy, as required by the Municipal Supply Chain Regulations, for the month of August 2020, be noted.

REPORT

Regulation 36(2) of the Municipal Supply Chain Management Regulations of 2005 read together with Section 36(2) of the approved 2020/2021 SCM policy reflects as follows:

"The accounting officer must record the reasons for any deviations in terms of sub-regulation (1)(a) and (b) and report them to the next meeting of the council and include as a note to the financial statements."

During 2020 September, the municipality changed its corporate messaging platform from Groupwise to Outlook. The deviation report was dispatched from groupwise but did not transmit to the Outlook platform, as a result the report could not serve timeously. The report is for Council noting, its contents is approved by the accounting officer as required by section 36. Additional to the monthly report, similar information is reported to Council on a quarterly basis and the information contained herein was reported in the quarterly information. It is through a process of internal verification and review that the error was identified. This error has no cumulative effect on other reports and no financial implications, as such may be accepted retrospectively.

The Municipal Supply Chain Management Regulations published under General Notice 868 in Government Gazette 27636 of 30 May 2005, inter alia, contains the following reporting requirements:

"Regulation 6 provides that the council of a municipality has an oversight role over the implementation of its supply chain management policy."

- (1) *The council of a municipality must maintain oversight over the implementation of its supply chain management policy.*
- (2) *For the purposes of such oversight the accounting officer must –*

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- (ii) *Whenever there are serious and material problems in the implementation of the supply chain management policy, immediately submit a report to the council of the municipality."*

The following Regulations are applicable to the implementation of the SCM policy and reported on as per the SCM regulations:

REPORT	SCM REGULATION NO	REPORT TO	FREQUENCY	RESPONSIBLE PERSON
Report on deviations from SCM Policy	36(2)	Council	Monthly (next Council meeting)	DD SCM
Report whenever there are serious and material problems in the implementation of the SCM Policy, immediately submit a report to the Council	6 (2) (a) (iii)	Council	Immediately (as and when applicable)	DD SCM

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 13 JULY 2021

Resolved to Recommend

That the Item be referred to the Section 80 Finance Services Portfolio Committee.

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MIDVAAL LOCAL MUNICIPALITY: MFMA SCM REGULATIONS - REGULATION 36 (1) & (2) OF THE: DEVIATIONS AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESS

1. The Accounting Officer may dispense with the official procurement processes established by Midvaal Local Municipality's SCM policy and procure goods or services through a convenient process which includes:

- i) Emergency;
- ii) Goods and services produced or available from a single provider only;
- iii) Special works of art, historical objects;
- iv) Animals for zoos;
- v) Exceptional cases where it is impractical or impossible to follow the official procurement process.

Herewith the report to Council on purchases that could not follow the official procurement process for the month of **August 2020:**

PURCHASES ACQUIRED IN EMERGENCY CASES					
R/N	DEP	DESCRIPTION	DATE	REASON	AMOUNT
AUG002/20-21	CORP SERV	VPN Technologies CC: redundancy link to internet as the fibre link connecting Midvaal Local Municipality to the internet was damaged.	11/08/2020	Regulation 36(1)(a)(ii) emergency alternative option for the Municipality to be able to connect to the internet as the fibre link was damaged and was difficult to estimate the downtime for repairs. This led to municipal officials not being able to execute their functions and ultimately having a negative impact on service delivery.	R18,765.13
PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS					
R/NR	DEP	DESCRIPTION	DATE	REASON	AMOUNT
AUG003/20-21	CORP SERV	Microsoft Ireland Operations Ltd: procurement of Microsoft software and licences for the Municipality through an Enterprise Software Agreement	31/08/2020	Regulation 36(1)(a)(ii) Microsoft Ireland Operations Ltd is the sole supplier of Microsoft Software, Licences and Hardwares.	Rates
PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			
PURCHASES ACQUIRED WHERE GOODS AND SERVICES PRODUCED OR AVAILABLE ARE FROM A SINGLE PROVIDER ONLY/AGENTS					
R/N	DEPT	DESCRIPTION	DATE	REASON	AMOUNT
		NONE			

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R/N	DEPT	DESCRIPTION	IMPRACTICAL OR IMPOSSIBLE	REASON	AMOUNT
AUG001/20-21	FIN SERV	Apex Business Systems (Pty) Ltd: 7 x MX-N264N Scanner devices for a minimum period of 3 months at a monthly fee of R1,150 (VAT Incl.) per machine and R0.00115 (VAT Incl.) per scan	(v)	Regulation 36(1)(a)(v) impractical to source quotes as Apex Business Systems (Pty) Ltd was appointed in July 2018 for the supply, delivery and installation of office automation including maintenance. The tender is for the shared printer utilised by the municipality officials (printing and copying). The rental of the required type of machines was not part of the initial tender. These machines are specific to the scanning of documents in order to create additional archiving space.	Rates

Implementation of the SCM policy Regulation 6 (2) (a) (iii)

That it be noted that there are no serious or material problems in the implementation of the MFMA SCM policy.

PREPARED BY:



MR. F JONAS
ACTING DIRECTOR: EXPENDITURE
04 SEPTEMBER 2020

RECOMMENDED:

APPROVED



MR. A LAMBAT
CHIEF FINANCIAL OFFICER
04 SEPTEMBER 2020



MS. N. MHLANGA
MUNICIPAL MANAGER
04 SEPTEMBER 2020